



Market Watch 90

February 2019†

Jointly produced by:
WFP-World Food Programme, Evidence, Policy and Innovation Unit, Nepal
MoALD-Ministry of Agriculture and Livestock Development (MoALD), Department of Agriculture (DoA), Market Development, Economic Analysis and Statistics Section
FNCCI/AEC-Federation of Nepalese Chamber of Commerce and Industries/Agro Enterprise Centre
CIPF-Consumer's Interest Protection Forum



HIGHLIGHTS

- **In February 2019, retail prices of most food commodities monitored in 15 major markets across Nepal showed a downward trend or held relatively stable, due to sufficient availability of food commodities from domestic production and improved commodity supply in rural markets.**
- **The overall inflation rate in February 2019 was 4.4 percent. The food and beverage group was stable at 2.5 percent, although several food sub-groups were relatively higher: ghee and oils (8%), milk and milk products (7.7%), and meat and fish (6.8%).**

Prices

Retail prices of most food commodities monitored in 15 major markets across Nepal showed a downward trend in February 2019, (see **Fig. 1**):

- On a month-on-month basis, retail prices of coarse rice, broken lentil, black gram and red potato decreased by 2.4, 5.3, 1.7 and 11.6 percent respectively, while that of edible oils was relatively stable. The retail price of wheat flour and chicken meat increased by 5.8 and 3.7 percent respectively.
- Compared to three months earlier, most prices showed a downward trend with the exception of an upward trend in the price of wheat flour and chicken meat. The largest change was red potato (-33 percent).
- On a year-on-year basis, most prices showed a decreasing trend (with the exception of coarse rice and wheat flour). The largest change was broken lentil (-14 percent).

Factors behind current price trends include the regular supply of food and non-food commodities associated with stable transportation services and seasonal fluctuations.

Retail prices in regional markets (see **Fig. 2**) mostly showed a similar trend as in the national averages. Compared to last month, the prices of monitored food commodities showed a decreasing trend in all markets with the exception of an upward trend of the price of wheat flour in all markets. Compared to the same period last year, prices of most food commodities showed a declining trend with the exception of a stable situation in the mountain and hill markets.

Wholesale prices monitored in the Kalimati Fruits and Vegetables Market showed relatively high month-on-month fluctuations (see **Table 1**): prices of bitter gourd and cabbage increased by more than 5 percent, while that of spinach, cauliflower, broad mustard leaf, christophine, French bean and dry onion decreased by more than 15 percent due to a surge in supply from the harvest season.

The overall consumer price index (CPI) released by Nepal Rastra Bank was 124.2 in February 2019, an increase of 0.2 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 4.4 percent. The food and beverage group of the CPI was 116.9, a decrease of 0.2 percent month-on-month and an increase of 2.5 percent year-on-year; several sub-groups showed relatively high year-on-year increases: ghee and oils (8%), milk and milk products (7.7%), and meat and fish (6.8%). The non-food and services group of the CPI was 130.3, an increase of 0.6 percent month-on-month and 5.8 percent year-on-year.

Supply

The overall supply of food and non-food commodities is so far good and stable across the country due to sufficient availability from domestic production and imports, and stable transportation services.

Outlook

Most food prices are expected to remain stable in the next two months due to regular supplies of food commodities with stable transportation services even in the markets connected with fair weather roads.

The outlook for the harvest of winter crops, mainly wheat is expected to be better than last year due to favourable weather. This will help to increase wheat production in the country.

Table 1: Largest changes in commodity prices (month-on-month)			
Commodity	Price NPR/kg or liter	% change 1 month	Observations
Bitter gourd and cabbage	various	> 5	Decrease in supply due to lean season
Spinach, cauliflower, broad mustard leaf, christophine, French bean and dry onion	various	> -15	Increase in supply due to harvest season

Figure 1: Average retail price over 12-month period*

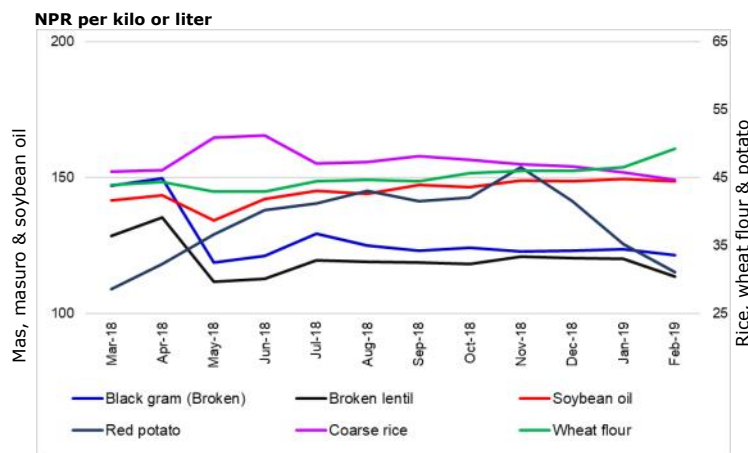
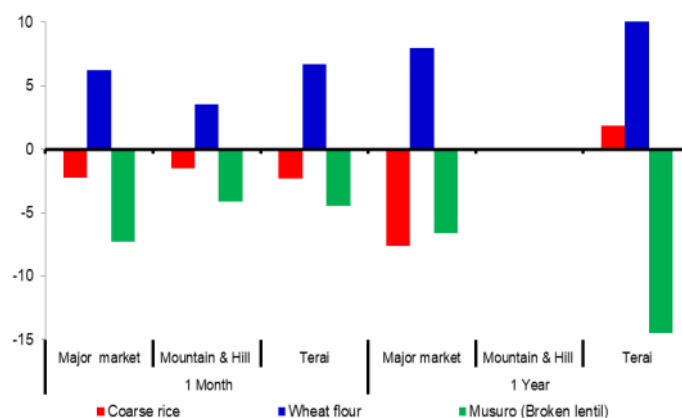


Figure 2: Percentage change in retail prices** (1 month & 1 year)



† Prices related to the Nepali month of Magh 2075.

* Prices are from markets listed on the back of this report, not including 'Hill & Mountain - No Road' markets.

** Change in price considers all markets shown in this report.

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average change over		
			1 m	3 m	1 yr	1m	3m	1yr
Major consumer markets								
Kathmandu	Coarse rice	47.0	-14.5	-14.5	-	▼	▼	-
	Wheat flour	48.0	0.0	0.0	-	▶	▶	-
	Soybean oil	160.0	-3.0	0.0	-	▶	▶	-
	Chicken	350.0	6.1	9.4	-	▲	▶	-
	Broken lentil	92.0	-20.0	-19.3	-	▼	▼	-
	Potato	30.0	-33.3	-50.0	-	▼	▼	-
	Pokhara	Coarse rice	55.0	7.8	0.0	1.9	▲	▶
Wheat flour		55.0	10.0	10.0	14.6	▲	▶	▶
Soybean oil		135.0	0.0	0.0	3.8	▶	▶	▶
Chicken		410.0	24.2	17.1	17.1	▲	▲	▲
Broken lentil		100.0	5.3	5.3	-44.4	▲	▶	▼
Potato		40.0	-11.1	-11.1	-11.1	▼	▼	▶
Surkhet		Coarse rice	50.0	0.0	0.0	-	▶	▶
	Wheat flour	50.0	8.7	11.1	-	▲	▲	-
	Soybean oil	160.0	6.7	6.7	-	▲	▶	-
	Chicken	350.0	2.9	0.0	-	▶	▶	-
	Potato	30.0	0.0	-50.0	-	▶	▼	-
Regional Terai markets								
Biratnagar	Coarse rice	38.0	0.0	-5.0	8.6	▶	▶	▶
	Wheat flour	50.0	11.1	11.1	11.1	▲	▲	▶
	Soybean oil	135.0	0.0	0.0	8.0	▶	▶	▶
	Chicken	300.0	-6.3	3.4	0.0	▼	▶	▶
	Broken lentil	95.0	-13.6	-13.6	0.0	▼	▼	▶
	Potato	20.0	0.0	-69.2	-33.3	▶	▼	▼
Janakpur	Coarse rice	42.0	0.0	-6.7	-6.7	▶	▶	▶
	Wheat flour	55.0	22.2	10.0	22.2	▲	▶	▲
	Soybean oil	140.0	-6.7	3.7	0.0	▼	▶	▶
	Chicken	300.0	-6.3	0.0	0.0	▼	▶	▶
	Broken lentil	110.0	-8.3	-12.0	-15.4	▼	▼	▼
	Potato	25.0	0.0	-37.5	25.0	▶	▼	▲
Birgunj	Coarse rice	40.0	-11.1	-11.1	-11.1	▼	▼	▶
	Wheat flour	45.0	0.0	2.3	-10.0	▶	▶	▶
	Soybean oil	135.0	-10.0	-10.0	-10.0	▼	▶	▶
	Chicken	320.0	6.7	6.7	33.3	▲	▶	▲
	Broken lentil	90.0	0.0	0.0	-30.8	▶	▶	▼
	Potato	20.0	-50.0	-60.0	-42.9	▼	▼	▼
Dhangadhi	Coarse rice	38.0	0.0	0.0	-5.0	▶	▶	▶
	Wheat flour	34.0	0.0	0.0	-2.9	▶	▶	▶
	Soybean oil	140.0	0.0	0.0	7.7	▶	▶	▶
	Chicken	300.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	100.0	0.0	0.0	0.0	▶	▶	▶
	Potato	30.0	0.0	0.0	20.0	▶	▶	▲
Nepalgunj	Coarse rice	40.0	0.0	-13.0	-	▶	▼	-
	Wheat flour	48.0	2.1	14.3	-	▶	▲	-
	Soybean oil	140.0	0.0	0.0	-	▶	▶	-
	Chicken	300.0	0.0	0.0	-	▶	▶	-
	Broken lentil	98.0	-2.0	-6.7	-	▶	▶	-
	Potato	20.0	-20.0	-55.6	-	▼	▼	-

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average change over		
			1 m	3 m	1 yr	1m	3m	1yr
Hill and Mountain markets with road access								
Bhairahawa	Coarse rice	37.0	-2.6	-	-	▶	-	-
	Wheat flour	44.0	4.8	10.0	-	▶	▶	-
	Soybean oil	137.0	3.0	1.5	-	▶	▶	-
	Chicken	315.0	-1.6	8.6	-	▶	▶	-
	Broken lentil	75.0	-2.6	-7.4	-	▶	▶	-
	Potato	30.0	-25.0	-25.0	-	▼	▼	-
	Makwanpur	Coarse rice	45.0	-10.0	-10.0	-	▼	▶
Wheat flour		43.0	-2.3	-2.3	-	▶	▶	-
Soybean oil		160.0	0.0	0.0	-	▶	▶	-
Chicken		340.0	3.0	13.3	-	▶	▲	-
Broken lentil		85.0	-10.5	-22.7	-	▼	▼	-
Potato		20.0	-50.0	-50.0	-	▼	▼	-
Dhankuta		Coarse rice	40.0	0.0	0.0	-	▶	▶
	Wheat flour	55.0	10.0	22.2	-	▲	▲	-
	Soybean oil	140.0	0.0	0.0	-	▶	▶	-
	Chicken	310.0	0.0	3.3	-	▶	▶	-
	Potato	20.0	-20.0	-63.6	-	▼	▼	-
Rolpa	Coarse rice	45.0	4.7	0.0	-	▶	▶	-
	Wheat flour	54.0	3.8	20.0	-	▶	▲	-
	Soybean oil	150.0	0.0	0.0	-	▶	▶	-
	Chicken	340.0	1.5	-2.9	-	▶	▶	-
	Broken lentil	120.0	0.0	20.0	-	▶	▲	-
	Potato	50.0	25.0	0.0	-	▲	▶	-
Sanfebagar	Coarse rice	39.0	0.0	2.6	18.2	▶	▶	▲
	Wheat flour	45.0	0.0	0.0	7.1	▶	▶	▶
	Soybean oil	165.0	3.1	3.1	-2.9	▶	▶	▶
	Chicken	400.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	170.0	3.0	3.0	13.3	▶	▶	▶
	Potato	40.0	0.0	0.0	0.0	▶	▶	▶
Jumla	Coarse rice	50.0	-9.1	-9.1	-9.1	▼	▶	▶
	Wheat flour	55.0	0.0	0.0	-8.3	▶	▶	▶
	Soybean oil	160.0	0.0	-11.1	-11.1	▶	▼	▶
	Chicken	440.0	2.3	-2.2	-12.0	▶	▶	▶
	Broken lentil	120.0	-25.0	-20.0	-33.3	▼	▼	▼
	Potato	40.0	14.3	-20.0	60.0	▲	▼	▲
Bajura	Coarse rice	40.0	0.0	0.0	14.3	▶	▶	▶
	Wheat flour	46.0	0.0	0.0	4.5	▶	▶	▶
	Soybean oil	170.0	0.0	0.0	-5.6	▶	▶	▶
	Chicken	440.0	0.0	0.0	0.0	▶	▶	▶
	Potato	35.0	0.0	0.0	-12.5	▶	▶	▶
Mountain markets without road access								
Dolpa	Coarse rice	80.0	0.0	-40.7	-44.8	▶	▼	▼
	Wheat flour	120.0	20.0	20.0	0.0	▲	▲	▶
	Soybean oil	200.0	5.3	8.1	-9.1	▲	▶	▶
	Chicken	550.0	0.0	10.0	10.0	▶	▶	▶
	Broken lentil	280.0	0.0	27.3	-6.7	▶	▲	▶
	Potato	42.0	5.0	20.0	-72.0	▶	▲	▼
Humla	Coarse rice	100.0	25.0	33.3	-41.2	▲	▲	▼
	Wheat flour	90.0	-5.3	-5.3	-35.7	▼	▶	▼
	Soybean oil	260.0	44.4	44.4	8.3	▲	▲	▶
	Chicken	500.0	-16.7	0.0	-9.1	▼	▶	▶
	Potato	250.0	25.0	38.9	8.7	▲	▲	▶

▲ Price increase above normal price fluctuation
 ▶ Normal price fluctuation
 ▼ Price decrease below normal price fluctuation
 Price fluctuation is considered normal if the price change is within 5% for 1 month, or within 10% for 3 months or within 15% for one year.